

March 16, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 3 TO AGREEMENT NO. 68733
FOR PUBLIC USE COPIERS AND TYPEWRITERS
(ALL DISTRICTS) (3-VOTE MATTER)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the County Librarian to sign the attached amendment to Contract No. 68733 with APS Affiliates, Inc. to extend the contract for operation of a concession to the Public Library Department for 18 months, and thereafter on a month-to-month basis not to exceed six months for an extended contract term to provide the Department with additional time to restructure the competitive re-solicitation of these services. The amendment shall become effective upon your Board's approval or April 1, 2004 whichever is later.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Public Library (Library) has provided coin-operated copiers and typewriters through a concession contract for customer use for over twenty years. In addition to providing a convenient service to the public, the provision of copiers for the public reduces damage to library books by allowing customers to copy pages.

The purpose of this recommended action is to enable the Library to continue providing copier and typewriter services to the public during the time required to restructure a new solicitation process for a new contract due to the lack of response on the current solicitation that would have been timely.

Approval of the proposed amendment will authorize the County Librarian, at her sole discretion, to extend the contract for 18 months, and thereafter on a month-to-month basis not to exceed six months.

Implementation of Strategic Plan Goals

Approval of the recommended amendment is consistent with the County's Strategic Plan in the areas of service excellence, fiscal integrity, and organizational effectiveness.

FISCAL IMPACT/FINANCING

In order to reach a business arrangement that is satisfactory to our current vendor, it was necessary to negotiate some changes in the terms of the existing concession agreement. These modifications include elimination of the cash commission, a reduction in the number of copies available for staff use from 75,000 to 45,000 copies per month, an increase in the copy vend price from 15 to 20 cents per copy, and a reduction in the amount of the security deposit from \$10,000 to \$2,000. As a result of these changes the Library will realize an estimated annual revenue loss of approximately \$13,000.

Under the terms of this amendment, the Library will receive 45,000 copies per month in commission for staff use. In the event the Library staff exceeds this amount, the Library will pay the concessionaire 3.7 cents plus sales tax per copy over the monthly allowance of 45,000 copies. The Library anticipates that this will have a negligible fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Library has determined that the Living Wage program (County code chapter 2.201) does not apply to the recommended amendment to the existing concession contract.

The current term of the existing contract expires on March 31, 2004. The Library has successfully utilized a concession contract model to provide coin operated photocopiers and typewriters for public use for the past 15 years.

The Library has issued two RFP's for a concession based contract to replace the expiring contract. In both instances the proposals received were non-responsive. The Department will need to issue a restructured solicitation due to a change in the prevailing practice in the library industry from service based concession contracts to revenue sharing equipment lease contracts.

Due to the increase in cost of paper, supplies, and maintenance, the price for photocopies will increase during the extension period from fifteen cents to twenty cents per copy. The price per copy has not changed for the past 15 years.

County Counsel has approved this amendment as to form.

CONTRACTING PROCESS

On January 9, 2004, proposals were solicited from the Library's proposers list, which includes contractors listed on the County's Office of Affirmative Action Compliance Community Business Enterprise (CBE) Database. Advertisements were placed in the Los Angeles Times, The Sentinel, and a chain of bilingual community ethnic newspapers published by The Eastern Group. The solicitation information was also made available to prospective contractors on the County's website.

Forty-four (44) Request for Proposals (RFP) were mailed out. A mandatory proposers conference was held on January 20, 2004. Fourteen (14) prospective proposers attended the bidders conference. Ten (10) no-bid letters were received, and one (1) proposal was received on February 6, 2004. Upon review of the single proposal received, it was deemed non-responsive because the proposer did not adhere to the required material submission guidelines. The Library determined that it is in the best interest of the County to restructure the solicitation of these services. The current concessionaire is willing to continue to provide these services based upon the renegotiated terms in the amendment pending a competitive re-solicitation of services.

IMPACT ON CURRENT SERVICES

Approval of this amendment will assure the continuation of pay per use copier and typewriter service for the public at County Library facilities.

CONCLUSION

The current term of the contract expires on March 31, 2004. Approval of this amendment will provide the Department with the additional time necessary to develop a restructured solicitation of these services.

Respectfully submitted,

Margaret Donnellan Todd
County Librarian

MDT:FH:EVT:jm

Attachments

c: Chief Administrative Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller

AMENDMENT NO. 3 TO AGREEMENT NO. 68733

**BY AND BETWEEN APS AFFILIATES, INC., AND THE COUNTY OF
LOS ANGELES TO PROVIDE THE PUBLIC LIBRARY DEPARTMENT
THE OPERATION OF A CONCESSION**

THIS AMENDMENT NO. 3 TO AGREEMENT NO. 68733 IS MADE AND ENTERED INTO
THIS _____ DAY OF _____ 2004

WHEREAS, the County of Los Angeles, a political subdivision of the State of California, hereinafter referred to as County, and APS Affiliates, Inc., hereinafter referred to as, Concessionaire, have entered into Agreement No. 68733 to provide the operation of a concession to the Public Library; and

WHEREAS, County and Contractor desire to amend the agreement to extend beyond the current expiration date for eighteen months, and thereafter on a month-to-month basis not to exceed six (6) months, upon mutual agreement.

NOW THEREFORE, the parties hereby agree that Agreement No. 68733 is amended as follows:

1. Part A, General Requirements, Section 5.2, Extension of Agreement is hereby amended to read as follows: County and Contractor hereby agree to extend the contract herein, but not attached, effective April 1, 2004, for eighteen (18) months, and thereafter on a month-to-month basis, as needed, but not to exceed six (6) months, upon mutual agreement, to be executed by the County Librarian. The contractor shall be given a thirty (30) day advance notice prior to termination of agreement.
2. Part A, General Requirements, Section 3.0, Contract Payment is hereby amended as follows:
 - 3.0 The Concessionaire shall provide County for the concession and allowance for forty-five thousand (45,000) free copies from black and white photocopiers for County staff use per month. County shall pay the Concessionaire \$. 0.037 plus sales tax for any copies or re-productions made in excess of the aforementioned quantities made by staff to be reconciled on a quarterly basis.
3. Part B, Statement of Work, Section 2.1 Service Requirements, sub-sections 2.1.2, 2.1.16, 2.1.18, 2.1.19, and 2.1.23 are hereby amended as follows:

- 2.1.2 Use the County's recommended price for photocopies as follows: copies sold from photocopiers (black and white) – twenty cents (20¢) each page; use of electronic typewriters-twenty-five cents (25¢) for each fifteen (15) minutes.
- 2.1.16 Furnish a key or other instrument that allows Library staff to produce copies from copiers without the insertion of currency. The Concessionaire will install a separate meter to count non-currency copies.
- 2.1.18 Provide six (6) day maintenance service (Monday through Saturday) between the hours of 9:00A.M. to 6:00 P.M.
- 2.1.19 Provide repairs within six (6) business hours of notification (Monday through Saturday) that equipment is in need of maintenance. Any equipment that cannot be repaired on the initial service call will be replaced within three (3) business days.
- 2.1.23 Provide and maintain the necessary paper, replenishers, chemicals, and replacement parts required to ensure continuous operation of equipment installed. Concessionaire will provide training for the County's designated staff on the following tasks listed: loading paper, clearing simple paper jams, and replacement of toner cartridges when photocopiers run out of toner. Paper supplies are for the sole use of coin-operated photocopiers, in the event Library staff utilizes paper supplies for other means, Library shall be charged \$0.01 per sheet of paper plus sales tax by concessionaire.

Designated Library Staff will immediately notify Concessionaire of any problem requiring technical assistance that is beyond the Designated Library Staff's ability to resolve by calling the Concessionaire.

4. Part B, Statement of Work, Section 2.3 Collection of Money, is hereby amended as follows:

- 2.2 The Concessionaire will ensure cash is collected from all copiers on a quarterly basis from all sites that have one photocopier. At sites with two (2) or more photocopiers, monies will be collected once a month.

All collection of money will be performed by bonded individuals and conducted in the presence of a County employee. County employee will verify the meter's readings, and sign as such on collection report.

5. Part B, Statement of Work, Section 26.0 Indemnification and Insurance Requirements, sub-section 26.3 Security Deposit, is hereby amended as follows:

26.3 Prior to the commencement of this agreement, Concessionaire shall pay to the County of Los Angeles the sum of two thousand dollars and 00/100 (\$2,000.00). In lieu of this, Concessionaire may deposit said amount in a commercial bank or savings and loan association acceptable to the Auditor-Controller, provided that a certificate of deposit is delivered to said officer giving the County the right to withdraw any or all of said amount during the term of this agreement. Concessionaire shall be entitled to any and all interest accruing from said certificate of deposit.

Said sum shall serve as security for faithful performance of all covenants, promises and conditions assumed by Concessionaire herein, and may be applied in satisfaction and/or mitigation of damages arising from a breach thereof including, but not limited to, delinquent payments, correction of maintenance deficiencies securing required insurance; loss of revenue due to abandonment, vacation or discontinuance of concession operations; discrimination; and payment of mechanic's liens. Application of amounts on deposit in satisfaction and/or mitigation of damages shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of agreement.

In the event any or all of said amount is applied in satisfaction and/or mitigation of damages, Concessionaire shall immediately deposit such as are necessary to restore the security deposit to the full amount required hereunder.

Said sum shall be returned to Concessionaire upon termination of this agreement less any amounts that may be withheld therefrom by County as heretofore provided.

6. Except as expressly provided in this Amendment No. **3**, all provisions, terms and conditions of the Agreement shall remain the same and in full force and effect.

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IN WITNESS WHEREOF, the County and the Contractor have hereunto subscribed their names by and through their officers thereunto duly authorized, as of the day, month, and year hereinabove first written.

THE COUNTY OF LOS ANGELES

By: _____
Margaret Donnellan Todd
County Librarian

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By: _____
Deputy

APS Affiliates, Inc.

By: _____
Barbara J. Sikes, Vice President

Date: _____